GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Suzlon Energy Limited, to their proposed integrated manufacturing facility which incorporates Rotar Blade unit, Wind Turbine Generator Unit, Lattice Tower Unit and Tubular Tower Manufacturing unit with an investment of Rs 545 Crores by 2020 at Anantapuramu District – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.121 Dated: 26-08-2016

Read the following:-

(1) From the Managing Director, M/s. Suzlon Energy Limited, Dt:25.02.2016, 26.04.2016 & 05.05.2016.
(2) Empowered Committee of Secretaries Meeting held on 20.06.2016.
(3) State Investment Promotion Board Meeting held on 08.07.2016.

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O R D E R

In the reference 1st read above, M/s. Suzlon Energy Ltd have represented that they proposed to establish an integrated manufacturing facility which incorporates Rotor Blade unit, Wind Turbine Generator unit, Lattice Tower unit and Tubular Tower Manufacturing unit at Anantapuramu District. The total investment in the project is to the tune of Rs. 545 Crore by 2020 and the direct employment generation would be 2500. The Company requested for the following:

(i) Single window clearance for all the Government approvals for the new plant
(ii) 100% exemption/reimbursement of stamp duty and transfer duty for purchase of land for industrial use.
(iii) 100% exemption/reimbursement of stamp duty for lease of land/shed/ buildings/ storage area/ mortgage/hypothecation
(iv) Any other state subsidies as eligible and as mentioned in GoAP Industrial Development Policy 2015-20
(v) Uninterrupted (24*7) electricity and water
(vi) Flexible labour laws that support ramp-up and ramp-down of labour force to meet labour requirement
(vii) 100% Exemption of Entry Tax
(viii) Government Land at Subsidized rate
(ix) VAT/CST/SGST exemption for output product and project materials, spares for Operation and Maintenance of Wind Turbine and Solar projects under customized package compatible with GST (as and when GST is implemented) without any restriction or value cap on investments or any other such value caps for a minimum period of 10 years individually for each project.

(P.T.O)

(x) Refund of VAT/CST/SGST on input materials, capital goods, spares, project materials and semi-finished products, spares for operation and maintenance of Wind Turbines and Solar projects compatible with GST (as and when GST is implemented) without any restriction or value cap on investments for a minimum period of 10 years individually for each project.

(xi) 25% Subsidy on cost of fixed capital investment

(xii) Interest Subsidy on term loan taken on fixed capital investment in excess of 3% p.a.

(xiii) 100% exemption of reimbursement of land conversion charges and property taxes

(xiv) Power cost reimbursement @ INR 1.50 per unit from the date of commencement of production for all the units (both trial production and commercial production should be covered)

(xv) Electricity duty exemption from DCP.

(xvi) 100% Reimbursement of cost incurred towards Skills Upgrading and Training of Manpower of Rs 50,000 per head and the expected training expenses shall be approx. Rs 11 Crore.

(xvii) 100% subsidy on quality certification. Expected cost shall be Rs 3 Crore.

(xviii) Road Network connecting highway with manufacturing plants and installation sites.

(xix) Permission for over dimension cargo movement within the state.

(xx) In case new manufacturing locations are added or project sites are added over next 15 years, to continue to provide additional benefits.

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. Suzlon Energy Limited in detail and has recommended to SIPB with the following incentives/benefits for the unit:

(i) To consider it as a Mega Project under Industrial Development Policy 2015-20, taking into account the investment planned over a period of 3 years in multiple locations, as a special case, keeping in view the prototype and technology requirements of the product proposed to be manufactured. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2019, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovered from the unit.

(ii) Reimbursement of 100 % VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier. However, this tax does not include Operation and Maintenance related transactions.

(iii) 100% Refund of input tax credit.

(iv) Power cost reimbursement @Rs.1.50 per unit for a period of 5 years on the lines of Gamesa.

(v) Reimbursement of one time land conversion chares from Agriculture to Industrial use .

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(vi) 50% of the cost of training subject Rs.10,000 per month per trainee. This incentive shall be available for maximum of 50 trainees per

(vii) All other benefits as per Industrial Development Policy (IDP) 2015-20.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s. Suzlon Energy Limited in detail and decided to extend the following incentives:

(i) To consider it as a Mega Project under Industrial Development Policy 2015-20, taking into account the investment planned over a period of 3 years span in multiple locations, as a special case, keeping in view the prototype and technology requirements of the product proposed to be manufactured. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2019, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovered from the unit.

(ii) Reimbursement of 100% VAT&CST for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier. However, this tax does not include Operation and Maintenance related transactions

(iii) 100% Refund of input tax credit

(iv) Power cost reimbursement @Rs.1.50 per unit for a period of 5 years on the lines of Gamesa Renewable Private Limited

(v) Reimbursement of one time land conversion cost from Agriculture to Industrial use

(vi) 50% of the cost of training subject a maximum of Rs.10,000 per employee for maximum of 50 trainees.

(vii) All other benefits as per Industrial Development Policy (IDP) 2015-20.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby consider the proposed integrated manufacturing facility which incorporates Rotar Blade unit, Wind Turbine Generator Unit, Lattice Tower Unit and Tubular Tower Manufacturing unit by M/s. Suzlon Energy Limited, with an investment of Rs 545 Crores by 2020 at Anantapuramu District, as Mega Project under Industrial Development Policy 2015-20 taking into account the investment planned over a period of 3 years span in multiple locations, as a special case, keeping in view the prototype and technology requirements of the product proposed to be manufactured and extend the following incentives under Industrial Development Policy 2015-20 :

(i) Reimbursement of 100% VAT&CST for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier. However, this tax does not include Operation and Maintenance related transactions

(ii) 100% Refund of input tax credit.

(P.T.O)

(iii) Power cost reimbursement @ Rs.1.50 per unit for a period of 5 years on the lines of Gamesa Renewable Private Limited issued vide G.O. Ms. No.59, Industries and Commerce (P&I) Department dt:07.05.2016.

(iv) Reimbursement of one time land conversion cost from Agriculture to Industrial use

(v) 50% of the cost of training subject a maximum of Rs.10,000 per employee for maximum of 50 trainees.

(vi) All other benefits as per Industrial Development Policy (IDP) 2015-20.

5. The above sanctioned special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2019, failing which whatever special package of incentives utilized will be adjusted in the future claims / recovered from the unit.

6. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad.
M/s. Suzlon Energy Limited through the DOI, A.P. Hyderabad.
Copy to:
The Finance (FMU-Rev.IC)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy, Infrastructure and Investment Department
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The Collector & District Magistrate, Anantapuramu District.
The General Manager, District Industries, Centre, Anantapuramu District.
The Zonal Manager, A.P.I.I.C., Anantapuramu District.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER